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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte VICKY SZE

Appeal 2008-0354
Application 09/827,132
Technology Center 3600

Decided: May 23, 2008

Before TERRY J. OWENS, JOSEPH A. FISCHETTI, and STEVEN D.A.
McCARTHY, *Administrative Patent Judges*.

OWENS, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellant appeals from a rejection of claims 1-35, which are all
of the pending claims.

THE INVENTION

The Appellant claims a method, system, and computer-readable medium for facilitating a network-based commerce transaction. Claim 1 is illustrative:

1. A method to facilitate a network-based commerce transaction, the method including:
 - recording establishment of a commerce transaction agreement between the first and second parties for purchase of an offering, wherein the commerce transaction agreement is established utilizing a network-based transaction system and wherein the commerce transaction agreement imposes first and second obligations on the first and second parties, respectively; and
 - automatically presenting a reminder option to the first party that is exercisable by the first party to remind the second party to comply with the obligations of the second party imposed under the commerce transaction agreement.

THE REFERENCES

Conklin	US 6,141,653	Oct. 31, 2000
Horn	US 2001/0037204 A1	Nov. 1, 2001 (filed Jan. 8, 2001)

THE REJECTION

Claims 1-35 stand rejected under 35 U.S.C. § 103 over Conklin in view of Horn.

OPINION

We reverse the Examiner's rejection. We need to address only the independent claims, i.e., claims 1, 18 and 35. Those claims require presenting "a reminder option to the first party that is exercisable by the first party to remind the second party to comply with the obligations of the

second party imposed under the commerce transaction agreement.”¹

For that claim requirement the Examiner relies (Ans. 5) upon the following sentence in Horn’s paragraph 0017:

One embodiment of the system is designed to minimize overhead costs by automatically reminding the parties of a pending settlement offer at selected time intervals, thereby eliminating the need for constant follow up correspondence and telephone calls.

The Examiner argues (Ans. 5):

In other words, the system initially sends a reminder to the parties about a pending obligation, exactly as in the present invention. The examiner fails to see how these steps differ.

The difference is that Horn sends a reminder, not a reminder option.

The Examiner argues (Ans. 5-6):

Horn discloses that one party of the transaction further ‘initiates the negotiation process’ (Horn paragraph 0020), enters information about the dispute (Horn paragraph 0020), as well as selected parameters that are acceptable for settlement (paragraph 0021). Finally this information is used to contact the adverse party to invite said adverse party to participate in the settlement (paragraph 0022). Therefore in an embodiment of Horn, two parties (for the sake of consistency ‘first party’ and ‘second party’) receive an automatic reminder option.

Those paragraphs describe the process wherein a claimant initiates an online negotiation and the adverse party responds. The Examiner does not

¹ The Appellant’s disclosed reminder option is a reminder button on a user graphical interface that “is selectable by the party to invoke a process at the auction facility 10 whereby an e-mail is sent to a further party to the transaction (e.g., a buyer) to remind the buyer to provide a monetary payment to satisfy obligations imposed by an [sic] concluded purchase and sale transaction (or agreement)” (Spec. ¶ 0033).

specifically point out, and it is not apparent, where those paragraphs disclose an automatic reminder option.

The Examiner argues that “[t]he ‘first party’ then has an additional option (i.e. an exercisable option of the system) to contact the second party to remind them to comply with obligations (namely complete the transaction in question)” (Ans. 6).

The Examiner does not point out, and it is not apparent, where Horn discloses the additional option to remind relied upon by the Examiner.

The Examiner argues (Ans. 6):

Therefore the examiner maintains his stance that a ‘first party’ of Horn receives an automatic initial system reminder option (paragraph 0017). The first party then has a further ability to ‘exercise’ this reminder option, via the system, to contact ‘the second party’ to remind them to comply (paragraphs 0020-0023).

As pointed out above, Horn’s paragraph 0017 discloses a reminder, not a reminder option, and it is not apparent where Horn’s paragraphs 0020-0023 disclose the reminder option relied upon by the Examiner.

We therefore conclude that the Examiner has not established a *prima facie* case of obviousness of the Appellant’s claimed invention.

The dissent relies upon *KSR Int’l. Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1740 (2007), wherein the Supreme Court stated:

When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or in a different one. If a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability.

The dissent argues that Horn’s disclosures that “a party is provided with the choice to initiate a new settlement offer” (¶ 0106), “the user has an option of

using a system feature that provides the users with the range of potential settlement amounts based upon the range and option selected” (¶ 0095), and “the system provides the respondents with the option to proceed through continued rounds of negotiation until an agreed settlement percentage is reached” (¶ 0126) indicate that it would have been a predictable variation to modify Horn’s reminder to the parties of a pending settlement offer (¶ 0017) such that the reminder provides an option, exercisable by the receiving party, to remind another party to comply with that party’s obligations under the agreement.

The Examiner has not established that design incentives, other market forces, or any motivating force other than the Appellant’s disclosure would have prompted such a variation. To establish a *prima facie* case of obviousness there must be, in addition to predictability, an apparent reason to modify the prior art to obtain a claimed invention. *See KSR* at 1740-41 (“Often, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue”). The Examiner has not provided the required evidence of an apparent reason to modify Horn’s reminder such that it becomes a reminder option exercisable by one party to remind another party to comply with that party’s obligations under the agreement.

Regarding system claim 18 the dissent argues that Conklin’s negotiations engine 02 is configured to automatically communicate messages to the buyer and the seller, and that whether the party receiving

such a message chooses to contact the other party in response thereto goes more to the recipient's state of mind than to a structural component of the system. The dissent further argues that the content of the reminder in the Appellant's claim 18 is nonfunctional descriptive material and, therefore, should not be given patentable weight.

The Appellant's claim 18 requires a communication engine that is configured to present a reminder option to one party that is exercisable by that party to send a reminder to another party. That configuration is a structural feature of the claimed system. As stated by the Court of Custom and Patent Appeals in *In re Prater*, 415 F.2d 1393, 1403 n.29 (CCPA 1969):

In one sense, a general-purpose digital computer may be regarded as but a storeroom of parts and/or electrical components. But once a program has been introduced, the general-purpose digital computer becomes a special-purpose digital computer (i.e., a specific electrical circuit with or without electro-mechanical components) which, along with the process by which it operates, may be patented subject, of course, to the requirements of novelty, utility, and non-obviousness.

Thus, regardless of whether the choice to exercise the reminder option depends upon the recipient's state of mind, and regardless of whether the content of the reminder sent to the other party is nonfunctional descriptive material, the Examiner has not established that the applied prior art would have led one of ordinary skill in the art to configure a communication engine to present a reminder option to one party that is exercisable by that party to send a message to another party.

For the above reasons we are not persuaded by the dissent of error in our decision.

DECISION

The rejection of claims 1-35 under 35 U.S.C. § 103 over Conklin in view of Horn is reversed.

REVERSED

FISCHETTI, *Administrative Patent Judge*, dissenting.

Respectfully, I cannot concur with the view adopted by the majority above for the following reasons.

The majority indicates that Horn paragraph 0017 discloses a reminder, and not a reminder option, as required by the claims. While I agree that this is true, the difference between a reminder and a reminder option in my view is a predictable variation of Horn's reminder to reply (Horn ¶ [0099]). "When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or in a different one. If a person of ordinary skill in the art can implement a predictable variation, § 103 likely bars its patentability." *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1740 (2007). This is particularly so given that Horn discloses many instances of providing the user with choices or options as to how to proceed with its dealings with the opposing party. For example, Horn discloses: at ¶ [0106], "... a party is provided with the choice to initiate a new settlement offer..."; at ¶ [0095], "...the user has an option of using a system feature that provides the users with a range of potential settlement amounts...; and at ¶ [0126], "... the system provides the respondents with the option to proceed through continued rounds of negotiation until agreement is reached." Thus, given that Horn discloses a system which provides a reminder to one or both parties, and that Horn further shows that the level of skill in the art includes providing options to a party in its dealings with an opposing party, modifying the reminder to include an option to remind would have been a predictable variation of the established reminder feature.

In addition, the system claim 18 broadly recites “a communication engine automatically to present a reminder option to the first party....” The system in Conklin discloses a similar negotiations engine system 02 which is said to contain “...all the software needed to create sponsored communities, communicate with sponsors, and with all participants and store the results. (Conklin, col.17, ll. 23-26). Further, the Conklin system further “...alerts sellers (and buyers) that a pending offer or counteroffer has been submitted, so that they may return to the system to negotiate or resume negotiations.” (Conklin, col. 19, ll. 31-32). Thus, the negotiations engine 02 in Conklin is configured to automatically communicate messages to the seller or buyer. Whether the receiving party chooses to contact the other party in response to such a notification is an option which anyone has in choosing to respond or not to respond to a notification, and at least as claimed, goes more to the recipient’s state of mind than to a structural component of the system. Furthermore, the message “remind the second party to comply with the obligations of the second party imposed under the commerce transaction agreement” is nonfunctional in the context of claim 18, and thus should be treated as we treat printed matter and not be given patentable weight. *See In re Gulack*, 703 F.2d 1381, 1385 (Fed. Cir. 1983).

The nub of the issue here is whether the language of claim 18 requires the communication engine to be configured to present a reminder option. Since claim 18 does not use the word “configured,” but rather relies on the phrase “a communication engine automatically to present a reminder option...,” this language should be interpreted as functional language. As functional language, we should credit such language weight only to the

extent that the prior art is or is not capable of meeting the functional limitation. See *In re Schreiber*, 128 F.3d 1473, 1478-79 (Fed. Cir. 1997).

The majority cites to *In re Prater* to support the principle that configuration in a computer is a structural limitation. This is not in dispute. Rather, the issue is whether the function of the communication engine is recited sufficiently positively to credit it with being positive claim language, such as produced when the term “configured” is used or, even more positively, when 35 U.S.C. § 112, sixth paragraph language is invoked. Unlike the machine claim in *Prater* which used means plus function language to describe its device, *Prater*, 415 F.2d at 1397-98, Appellant’s claim 18 does not use such language, and thus should not be given the same interpretation of the machine claim in *Prater* - to do so would be to dilute the provisions of the statute.

hh

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